

PSJ3

Exhibit 591

Corporate Security & Regulatory Affairs Walgreens Update

Chris Zimmerman, Chief Compliance Officer

Meeting of the Audit & Corporate Responsibility Committee
August 7, 2013



Walgreens (WAG) Impact to CSRA

- 8,000+ additional retail pharmacy locations
- 200% increase in DEA Schedule 2 order forms
- 50% increase in DC inventory
- 50% increase in all controlled substance orders (C3-5)
- 50% increase to the Order Monitoring Program
- 50% increase in daily store deliveries

CSRA Focus

- Due Diligence & Account Set-Up
- Order Monitoring Program (OMP)
- Diversion Control Program
- Security Concerns
- Business Continuity

CSRA Walgreens Onboarding

Due Diligence & Account Set-Up

- DEA Notification of the transition of Walgreens Business to ABC (addendum A).
 - Review of Walgreens prior DEA issues from 2009 up to and including June 2013 Memorandum of Agreement and \$80 million fine.
 - Verify 8,000+ State License & DEA Registration for each WAG location (e.g., schedules, address).
 - Coordinate vault/cage expansions with DEA and ABDC Engineering/Operations including DEA pre-approval and final inspection.
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- Closely monitor internal DC compliance via weekly reports.

Order Monitoring Program (OMP)

Account Set-Up for OMP

- April 2013 – Pre-implementation meeting in Chicago with WAG Pharmaceutical Integrity Team to discuss respective programs.
- May 2013 – Follow-up meeting in Chicago with WAG Team for discussion of OMP thresholds and OMP strategy.
- Baseline due diligence information provided by WAG to assist in setting proper customer size for each individual location.
- Analysis of dispensing data provided by WAG to identify potential high risk locations.
- Ongoing bi-weekly conference call with WAG Team to discuss issues and/or concerns that may arise during the onboarding process.

CSRA OMP Process for Walgreens

- All WAG pharmacies are subject to the same due diligence and monitoring processes as all other ABDC customers – No Special Treatment.
- Orders transmitted by WAG first have to pass through WAG's internal Order Monitoring process.
- CSRA OMP Manager reviews all WAG controlled substance orders to insure compliance by ABC Corporate and DC OMP Teams.
- Orders of interest will trigger a telephone call to the WAG Pharmaceutical Integrity Team to discuss the site's dispensing history/patterns.
- A monthly review of WAG purchase quantities of high risk controlled substances is conducted in order to identify spikes and/or other variations in ordering patterns.

CSRA Diversion Control Program Walgreens

- In July 2013, CSRA & WAG conducted thirteen (13) joint visits to potentially high risk WAG locations throughout the state of Florida.
- Joint visits will continue at WAG locations nationwide.
- CSRA has contracted Pharma Compliance Group to conduct 200+ surveillance visits to determine the presence of “red flags” normally associated with drug diversion.
- CSRA Investigators will conduct all on-site WAG investigations.
- Bi-weekly calls with WAG Pharmaceutical Integrity Team to discuss any issues.
- CSRA has extended an offer to the WAG Integrity Team to assist in training endeavors for WAG associates.

Security Concerns

- ❑ Due to the increase in security risk and potential investigations arising from:
 - The additional 8,000+ Walgreen Pharmacy sites
 - The 50% increase in inbound freight
 - The 50% increase in of outbound shipments
 - The significant increase in high \$\$ outbound line-haul loads
 - The potential increase in associate related incidents due to the increased staffing levels
- ❑ CSRA will monitor and add investigative resources as needed.
- ❑ CSRA conducts monthly conference calls with the WAG Security Team.

CSRA Business Continuity Program

- ❑ Modify the ABDC Business Continuity Program (BCP) to accommodate the Walgreens business:
 - Evaluate the “Alternate Distribution Center” (ADC) capabilities
 - Modify the “Customer Move” process to support the ADC capabilities
 - Develop a process for BCP communications between ABDC and Walgreens
 - Develop testing
- ❑ CSRA is working with ABDC and WAG on a comprehensive BCP playbook for WAG locations.

Addendum A